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DEPARTMENT OF
REGULATION

CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

(Gross Revenue of Less Than \$200,000 Each)

ANNUAL REPORT

WS249-06-AR
Useppa Island Utility, Inc.
P. O. Box 640
Bokeelia, FL 33922-0640

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2006

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FINANCIAL SECTION

USEPPA UTILITY, INC.
(EXACT NAME OF UTILITY)

P.O. Box 640

BOKEELIA, FL 33922

LEE

Mailing Address

Street Address

County

Telephone Number 239/283-1061

Date Utility First Organized 1981

Fax Number 239/283-4535

E-mail Address LOUANNCHRISTENSEN@USEPPA.COM

Sunshine State One-Call of Florida, Inc. Member No. _____

Check the business entity of the utility as filed with the Internal Revenue Service:

- Individual
 Sub Chapter S Corporation
 1120 Corporation
 Partnership

Name, Address and Phone where records are located: ACCOUNTING OFFICE ON USEPPA ISLAND

Name of subdivisions where services are provided: USEPPA ISLAND

CONTACTS

Name	Title	Principal Business Address	Salary Charged Utility
Person to send correspondence: <u>VINCENT FORMOSA</u>	<u>VICE PRESIDENT</u>	<u>P.O. Box 640</u> <u>BOKEELIA, FL 33922</u>	
Person who prepared this report: <u>LOUANN CHRISTENSEN</u> <u>ERIC GLIDDEN</u>	<u>ACCOUNTING MGR</u> <u>UTILITY MGR.</u>	<u>P.O. Box 640</u> <u>BOKEELIA, FL 33922</u>	
Officers and Managers: <u>GARFIELD R. BECKSTEAD</u>	<u>PRESIDENT</u>	<u>P.O. Box 640</u> <u>BOKEELIA, FL</u> <u>33922</u>	\$ -0-
<u>TIMOTHY FITZSIMMONS</u>	<u>CEO</u>	<u>P.O. Box 640</u> <u>BOKEELIA, FL</u> <u>33922</u>	\$ -0-

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
<u>USEPPA INN AND DOCK CO., LTD.</u>	<u>100%</u>	<u>P.O. Box 640</u> <u>BOKEELIA, FL</u> <u>33922</u>	\$ -0-
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2006

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other	Total Company
Gross Revenue:					
Residential -----		\$ 179,374	\$ 96,365	\$ _____	\$ 275,739
Commercial -----		_____	_____	_____	_____
Industrial -----		_____	_____	_____	_____
Multiple Family -----		_____	_____	_____	_____
Guaranteed Revenues -----		_____	_____	_____	_____
Other (Specify) <u>C/S</u> -----		<u>875</u>	<u>94</u>	_____	<u>969</u>
Total Gross Revenue -----		\$ <u>180,249</u>	\$ <u>96,459</u>	\$ _____	\$ <u>276,708</u>
Operation Expense (Must tie to pages W-3 and S-3)	W-3 S-3	\$ <u>156,276</u>	\$ <u>128,271</u>	\$ _____	\$ <u>284,547</u>
Depreciation Expense -----	F-5	<u>3,260</u>	<u>33,124</u>	_____	<u>36,384</u>
CIAC Amortization Expense -----	F-8	< <u>9019</u> >	< <u>6375</u> >	_____	< <u>15,394</u> >
Taxes Other Than Income -----	F-7	<u>11,591</u>	<u>7,855</u>	_____	<u>19,446</u>
Income Taxes -----	F-7	—	—	_____	—
Total Operating Expense -----		\$ <u>162,108</u>	\$ <u>162,875</u>	_____	\$ <u>324,983</u>
Net Operating Income (Loss)		\$ <u>18,141</u>	\$ < <u>66,416</u> >	\$ _____	\$ < <u>48,275</u> >
Other Income:					
Nonutility Income -----		\$ _____	\$ _____	\$ _____	\$ _____
Other Deductions:					
Miscellaneous Nonutility Expenses -----		\$ _____	\$ _____	\$ _____	\$ _____
Interest Expense -----		<u>16,812</u>	<u>14,027</u>	_____	<u>30,839</u>
Net Income (Loss)		\$ <u>1,329</u>	\$ < <u>80,443</u> >	\$ _____	\$ < <u>79,114</u> >

Revised

UTILITY NAME: USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2006

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	Reference Page	Current Year	Previous Year
Assets:			
Utility Plant in Service (101-105) -----	F-5,W-1,S-1	\$ <u>1,009,599</u>	\$ <u>1,044,709</u>
Accumulated Depreciation and Amortization (108) -----	F-5,W-2,S-2	<u>544,374</u>	<u>515,778</u>
Net Utility Plant -----		\$ <u>465,225</u>	\$ <u>528,931</u>
Cash -----		<u>2,226</u>	<u><124></u>
Customer Accounts Receivable (141) -----		<u>26,623</u>	<u>271,898</u>
Other Assets (Specify): -----			<u>6627</u>
			<u>400</u>
Total Assets -----		\$ <u>494,074</u>	\$ <u>807,732</u>
Liabilities and Capital:			
Common Stock Issued (201) -----	F-6	<u>1,000</u>	<u>1,000</u>
Preferred Stock Issued (204) -----	F-6		
Other Paid in Capital (211) -----		<u>149,000</u>	<u>149,000</u>
Retained Earnings (215) -----	F-6	<u><397,443></u>	<u><311,135></u>
Proprietary Capital (Proprietary and Partnership only) (218) -----	F-6		
Total Capital -----		\$ <u><247,443></u>	\$ <u><161,135></u>
Long Term Debt (224) -----	F-6	\$ <u>592,226</u>	\$ <u>790,640</u>
Accounts Payable (231) -----		<u>93,677</u>	<u>84,518</u>
Notes Payable (232) -----			
Customer Deposits (235) -----			
Accrued Taxes (236) -----			
Other Liabilities (Specify) -----			
Advances for Construction -----			
Contributions in Aid of Construction - Net (271-272) -----	F-8	<u>55,616</u>	<u>93,709</u>
Total Liabilities and Capital -----		\$ <u>494,076</u>	\$ <u>807,732</u>

Revised

UTILITY NAME: USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2006

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) inclusive	Water	Wastewater	Plant other than Reporting Systems	Total
Utility Plant in Service (101)	\$ 558,431	\$ 451,168	\$ _____	\$ 1,009,599
Construction Work in Progress (105) _____	_____	_____	_____	_____
Other (Specify) _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Utility Plant _____	\$ 558,431	\$ 451,168	\$ _____	\$ 1,009,599

ACCUMULATED DEPRECIATION (A/D) AND AMORTIZATION OF UTILITY PLANT

Account 108	Water	Wastewater	Other than Reporting Systems	Total
Balance First of Year _____	\$ 257,876	\$ 257,902	\$ _____	\$ 515,778
Add Credits During Year:				
Accruals charged to depreciation account _____	\$ 3,260	\$ 33,124	\$ _____	\$ 28,595
Salvage _____	_____	_____	_____	_____
Other Credits (specify) _____	_____	_____	_____	_____
<u>PER ORDER</u>	11,970	<19,759>	_____	_____
Total Credits _____	\$ 273,106	\$ 271,267	\$ _____	\$ 544,373
Deduct Debits During Year:				
Book cost of plant retired _____	\$ _____	\$ _____	\$ _____	\$ _____
Cost of removal _____	_____	_____	_____	_____
Other debits (specify) _____	_____	_____	_____	_____
Total Debits _____	\$ _____	\$ _____	\$ _____	\$ _____
Balance End of Year _____	\$ 273,106	\$ 271,267	\$ _____	\$ 544,373

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2006

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	1,000	
Shares authorized _____		
Shares issued and outstanding _____		
Total par value of stock issued _____		
Dividends declared per share for year _____		

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	\$ <311,135>	\$ _____
Changes during the year (Specify): _____	<86,308>	_____
_____	_____	_____
Balance end of year _____	<397,443>	_____

PROPRIETARY CAPITAL (218)

	Proprietor Or Partner	Partner
Balance first of year _____	\$ _____	\$ _____
Changes during the year (Specify): _____	_____	_____
_____	_____	_____
Balance end of year _____	\$ _____	\$ _____

LONG TERM DEBT (224)

Description of Obligation (Including Date of Issue and Date of Maturity):	Interest		Principal per Balance Sheet Date
	Rate	# of Pymts	
<u>WACHOVIA WASTEWATER PLANT</u>	<u>7.62</u>	<u>50</u>	<u>\$ 63,256</u>
<u>USEPPA INN AND DOCK COMPANY</u>	<u>10</u>		<u>528,970</u>
Total _____			<u>\$ 592,226</u>

UTILITY NAME: USEPPA UTILITY INC

REVISED

YEAR OF REPORT
DECEMBER 31, 2006

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	Total (d)
1) Balance first of year	\$ <u>225,670</u>	\$ <u>230,187</u>	\$ <u>455,857</u>
2) Add credits during year	\$ _____	\$ _____	\$ _____
3) Total	_____	_____	_____
4) Deduct charges during the year	_____	_____	_____
5) Balance end of year	<u>225,670</u>	<u>230,187</u>	<u>455,857</u>
6) Less Accumulated Amortization	<u>180,959</u>	<u>219,282</u>	<u>400,241</u>
7) Net CIAC	\$ <u>44,711</u>	\$ <u>10,905</u>	\$ <u>55,616</u>

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.	Indicate "Cash" or "Property"	Water	Wastewater
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Sub-total	_____	\$ _____	\$ _____
Report below all capacity charges, main extension charges and customer connection charges received during the year.			
Description of Charge	Number of Connections	Charge per Connection	
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits During Year (Must agree with line # 2 above.)		\$ _____	\$ _____

ACCUMULATED AMORTIZATION OF CIAC (272)

	Water	Wastewater	Total
Balance First of Year	\$ <u>151,531</u>	\$ <u>210,616</u>	\$ <u>362,147</u>
Add Debits During Year:	<u>9,019</u>	<u>6,375</u>	<u>15,394</u>
Deduct Credits During Year: <u>PER ORDER</u>	<u>20,409</u>	<u>2,291</u>	<u>22,700</u>
Balance End of Year (Must agree with line #6 above.)	\$ <u>180,959</u>	\$ <u>219,282</u>	\$ <u>400,241</u>

**** COMPLETION OF SCHEDULE REQUIRED ONLY IF AFUDC WAS CHARGED DURING YEAR ****

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT DECEMBER 31, <u>2006</u>
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SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (1)

Class of Capital (a)	Dollar Amount (b)	Percentage of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	\$ _____	_____ %	_____ %	_____ %
Preferred Stock	_____	_____ %	_____ %	_____ %
Long Term Debt	_____	_____ %	_____ %	_____ %
Customer Deposits	_____	_____ %	_____ %	_____ %
Tax Credits - Zero Cost	_____	_____ %	0.00 %	_____ %
Tax Credits - Weighted Cost	_____	_____ %	_____ %	_____ %
Deferred Income Taxes	_____	_____ %	_____ %	_____ %
Other (Explain)	_____	_____ %	_____ %	_____ %
Total	\$ _____	<u>100.00</u> %		_____ %

(1) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate: _____ % Commission Order Number approving AFUDC rate: _____
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**WATER
OPERATING
SECTION**

UTILITY NAME: USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2006

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
301	Organization	\$	\$	\$	\$
302	Franchises				
303	Land and Land Rights	10,463			10,463
304	Structures and Improvements	32,516	606		33,122
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	51,199			51,199
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment	172,535		172,535	
311	Pumping Equipment	33,797		10,898	22,899
320	Water Treatment Equipment	181,896	1,509	7068	176,337
330	Distribution Reservoirs and Standpipes	6,611	155,168		161,779
331	Transmission and Distribution Lines	63,708			63,708
333	Services	3,020			3,020
334	Meters and Meter Installations	18,006	15,786		33,792
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant and Miscellaneous Equipment	2,097		1302	795
340	Office Furniture and Equipment				
341	Transportation Equipment	800			800
342	Stores Equipment				
343	Tools, Shop and Garage Equipment	1,142		820	322
344	Laboratory Equipment	975		738	237
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Water Plant	\$ 578,742	\$ 173,069	\$ 193,661	\$ 558,148

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
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ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

A.c.t. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr Balance End of Year (f-g+h=i) (i)
304	Structures and Improvements		%	%	\$ 39,527		\$ 1182	\$ 31,709
305	Collecting and Impounding Reservoirs		%	%				
306	Lake, River and Other Intakes		%	%				
307	Wells and Springs		%	%	34,514		1,304	35,818
308	Infiltration Galleries & Tunnels		%	%				
309	Supply Mains		%	%	59,607		351	60,318
310	Power Generating Equipment		%	%	180,777		1,103	191,180
311	Pumping Equipment		%	%	100,117		8,534	108,661
320	Water Treatment Equipment		%	%				
330	Distribution Reservoirs & Standpipes		%	%	4,596		143	4,739
331	Trans. & Dist. Mains		%	%	38,858		1,041	39,899
333	Services		%	%	21,173		62	21,235
334	Meter & Meter Installations		%	%	21,051		1,238	22,289
335	Hydrants		%	%				
336	Backflow Prevention Devices		%	%				
339	Other Plant and Miscellaneous Equipment		%	%	250		17	267
340	Office Furniture and Equipment		%	%	1,397		231	1,628
341	Transportation Equipment		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop and Garage Equipment		%	%				
344	Laboratory Equipment		%	%	347		23	373
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				\$ 257,874	\$	\$ 15,229	\$ 273,104*

* This amount should tie to Sheet F-5.

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2006

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	\$ 64,864-
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	
604	Employee Pensions and Benefits <u>H 2545, WIC 2075, T 3333</u>	9,953-
610	Purchased Water	
615	Purchased Power	30,239-
616	Fuel for Power Production	
618	Chemicals	4,992-
620	Materials and Supplies <u>7771, 19962</u>	19,741-
630	Contractual Services:	
	Billing	
	Professional	5913-
	Testing	6635-
	Other	825-
640	Rents	7800-
650	Transportation Expense <u>CF 383, T 660, VE 795</u>	1838-
655	Insurance Expense	
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	500-
670	Bad Debt Expense	
675	Miscellaneous Expenses <u>BANK 29, TRAIN 50, OS 131, POST 838, TELE 1928</u>	2,976-
	Total Water Operation And Maintenance Expense	\$ 156,276*

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0			
3/4"	D	1.5	134	135	202.50
1"	D	2.5	8	8	20
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0			
3/4"	D	1.5	5	8	12
1"	D	2.5	1	2	5.0
1 1/2"	D,T	5.0			
2"	D,C,T	8.0	3	3	24
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers					
Other (Specify)					
** D = Displacement C = Compound T = Turbine					
Total			151	157	218.50

UTILITY NAME:

USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2006

SYSTEM NAME:

PUMPING AND PURCHASED WATER STATISTICS

(a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January		1276	3	1273	1247
February		1148	2	1146	1116
March		1589	3	1586	1531
April		1454	2	1452	1285
May		1483	5	1478	1418
June		1318	0	1318	1384
July		964	4	960	910
August		938	20	918	945
September		633	1	632	430
October		1342	0	1342	1082
November		1356	5	1351	1340
December		1295	2	1293	1367
Total for Year		14796	47	14749	14055

If water is purchased for resale, indicate the following:

Vendor _____

Point of delivery _____

If water is sold to other water utilities for redistribution, list names of such utilities below:

MAINS (FEET)

Kind of Pipe (PVC, Cast Iron, Coated Steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
PVC	2	5650			5650
PVC	3	1785			1785
PVC	4	8955			8955

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
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SYSTEM NAME: _____

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	<u>1989</u>	<u>2002</u>	_____	_____
Types of Well Construction and Casing _____	<u>PVC Artesian</u>	<u>PVC Artesian</u>	_____	_____
Depth of Wells _____	<u>280</u>	<u>320</u>	_____	_____
Diameters of Wells _____	<u>6"</u>	<u>6"</u>	_____	_____
Pump - GPM _____	<u>95</u>	<u>95</u>	_____	_____
Motor - HP _____	<u>7 1/2 HP</u>	<u>7 1/2 HP</u>	_____	_____
Motor Type * _____	<u>Submersible</u>	<u>Submersible</u>	_____	_____
Yields of Wells in GPD _____	<u>136,800</u>	<u>136,800</u>	_____	_____
Auxiliary Power _____	<u>No</u>	<u>yes</u>	_____	_____

* Submersible, centrifugal, etc.

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	<u>Glass + steel</u>	<u>steel</u>	_____	_____
Capacity of Tank _____	<u>100,000</u>	<u>1,000</u>	_____	_____
Ground or Elevated _____	<u>Ground</u>	<u>Ground</u>	_____	_____

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
Motors				
Manufacturer _____	<u>Baldor</u>	<u>Baldor</u>	_____	_____
Type _____	<u>Jmm 312T</u>	<u>Jmm 312T</u>	_____	_____
Rated Horsepower _____	<u>10HP</u>	<u>10HP</u>	_____	_____
Pumps				
Manufacturer _____	<u>Goulds</u>	<u>Goulds</u>	_____	_____
Type _____	<u>Centrifugal</u>	<u>Centrifugal</u>	_____	_____
Capacity in GPM _____	<u>140</u>	<u>140</u>	_____	_____
Average Number of Hours Operated Per Day _____	<u>2.29 hrs</u>	<u>2.29 hrs</u>	<u>= 4.58 hrs/day</u>	_____
Auxiliary Power _____	<u>Yes</u>	<u>Yes</u>	_____	_____

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2006

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water etc.)			
Permitted Gals. per day _____	<u>140,000</u>	_____	_____
Type of Source _____	<u>Mid-Hawthorne Aquifer - Groundwater</u>	_____	_____

WATER TREATMENT FACILITIES

List for each Water Treatment Facility:			
Type _____	<u>Reverse osmosis</u>	_____	_____
Make _____	<u>Hydro Pro</u>	_____	_____
Permitted Capacity (GPD) _____	<u>50,000</u>	_____	_____
High service pumping Gallons per minute _____	<u>140 GPM x 2</u>	_____	_____
Reverse Osmosis _____	<u>Yes</u>	_____	_____
Lime Treatment Unit Rating _____	<u>N/A</u>	_____	_____
Filtration Pressure Sq. Ft. _____	<u>N/A</u>	_____	_____
Gravity GPD/Sq.Ft. _____	<u>N/A</u>	_____	_____
Disinfection Chlorinator _____	<u>Yes</u>	_____	_____
Ozone _____	<u>NO</u>	_____	_____
Other _____	<u>NO</u>	_____	_____
Auxiliary Power _____	<u>Yes</u>	_____	_____

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2006

SYSTEM NAME: _____

GENERAL WATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

- 1. Present ERC's * the system can efficiently serve. 2006 Water Sold 14,055 / 350 / 365 = .110
- 2. Maximum number of ERCs * which can be served. 50,000 GPD Permitted / 350 / 1000 = .143 ERC
- 3. Present system connection capacity (in ERCs *) using existing lines. .143 ERC
- 4. Future connection capacity (in ERCs *) upon service area buildout. Built out
- 5. Estimated annual increase in ERCs *. 0
- 6. Is the utility required to have fire flow capacity? NO
If so, how much capacity is required? _____
- 7. Attach a description of the fire fighting facilities.
- 8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
1. Meter Change out Program
- 9. When did the company last file a capacity analysis report with the DEP? OCT 2006
- 10. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules. _____
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? NO
- 11. Department of Environmental Protection ID # FL 0036218 / FLA 146102-002 - IW5C
- 12. Water Management District Consumptive Use Permit # 36-03239-W
 - a. Is the system in compliance with the requirements of the CUP? Yes
 - b. If not, what are the utility's plans to gain compliance? _____

* An ERC is determined based on one of the following methods:

- (a) If actual flow data are available from the preceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of SFR customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000) / 365 days / 350 gallons per day).

**WASTEWATER
OPERATING
SECTION**

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2006

WASTEWATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)	Current Year (f)
351	Organization	\$	\$	\$	\$
352	Franchises				
353	Land and Land Rights	15,788		<123017	3,487
354	Structures and Improvements	196,388	606-	<9687	196,026
355	Power Generation Equipment			12301	12,301
360	Collection Sewers - Force	122,424	2821-	2581	127,826
361	Collection Sewers - Gravity	377			377
362	Special Collecting Structures				
363	Services to Customers				
364	Flow Measuring Devices				
365	Flow Measuring Installations				
370	Receiving Wells	64,652		<18707	62,782
371	Pumping Equipment				
380	Treatment and Disposal Equipment	42,112	403		42,515
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant and Miscellaneous Equipment	23,047	1451	<19,843>	4655
390	Office Furniture and Equipment				
391	Transportation Equipment	1,200			1200
392	Stores Equipment				
393	Tools, Shop and Garage Equipment				
394	Laboratory Equipment				
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant				
	Total Wastewater Plant	\$ 466,988	\$ 5281	\$ <20,100>	\$ 451,169.

* This amount should tie to sheet F-5.

UTILITY NAME:

USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2006

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
354	Structures and Improvements		%		\$ 92,686		\$ 4,619	\$ 97,300
355	Power Generation Equipment		%					
360	Collection Sewers - Force		%		117			126
361	Collection Sewers - Gravity		%					
362	Special Collecting Structures		%					
363	Services to Customers		%					
364	Flow Measuring Devices		%				42	42
365	Flow Measuring Installations		%		39,747		1,719	41,466
370	Receiving Wells		%					
371	Pumping Equipment		%		57,449		2,608	60,057
380	Treatment and Disposal Equipment		%					
381	Plant Sewers		%		62,233		2,836	65,069
382	Outfall Sewer Lines		%					
389	Other Plant and Miscellaneous Equipment		%					
390	Office Furniture and Equipment		%		3,684		1,537	5,221
391	Transportation Equipment		%					
392	Stores Equipment		%		1,984			1,984
393	Tools, Shop and Garage Equipment		%					
394	Laboratory Equipment		%					
395	Power Operated Equipment		%					
396	Communication Equipment		%					
397	Miscellaneous Equipment		%					
398	Other Tangible Plant		%					
	Totals				\$ 257,901	\$	\$ 13,364	\$ 271,265*

* This amount should tie to Sheet F-5.

UTILITY NAME: USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2006

WASTEWATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
701	Salaries and Wages - Employees	\$ 64,384
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	
704	Employee Pensions and Benefits <u>H 2905, WC 2486, PT 5675</u>	11,066-
710	Purchased Wastewater Treatment	
711	Sludge Removal Expense	
715	Purchased Power	11,226-
716	Fuel for Power Production	
718	Chemicals	4,326-
720	Materials and Supplies <u>RM 10838, DF 2301</u>	13,139-
730	Contractual Services:	
	Billing	
	Professional	5,670-
	Testing	2,435-
	Other	825-
740	Rents	7,800-
750	Transportation Expense <u>C 2484, T 695, VE 795</u>	3,974-
755	Insurance Expense	
765	Regulatory Commission Expenses (Amortized Rate Case Expense)	500-
770	Bad Debt Expense	
775	Miscellaneous Expenses <u>BC 29, OS 131, P838, T1928,</u>	2,926-
	Total Wastewater Operation And Maintenance Expense	\$ 128,127.1*

* This amount should tie to Sheet F-3.

WASTEWATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
All meter sizes	D	1.0	138	138	138
General Service					
5/8"	D	1.0			
3/4"	D	1.5	5	5	7.5
1"	D	2.5			
1 1/2"	D,T	5.0			
2"	D,C,T	8.0	2	2	16
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers Other (Specify)					
** D = Displacement C = Compound T = Turbine			Total		
			145	145	161.5

UTILITY NAME: USEPPA UTILITY, INC

YEAR OF REPORT
DECEMBER 31, 2006

PUMPING EQUIPMENT

Lift Station Number	<u>10</u>	<u>6</u>				
Make or Type and nameplate data on pump	<u>Goulds</u>	<u>Total of</u>	<u>26</u>	<u>Lift Station's</u>		
	<u>1/2HP</u>					
Year installed	<u>1987</u>					
Rated capacity	<u>80 GPM</u>					
Size	<u>1/2HP</u>					
Power:						
Electric	<u>Yes</u>					
Mechanical	<u>NO</u>					
Nameplate data of motor	<u>Goulds</u>					

SERVICE CONNECTIONS

Size (inches)	<u>4"</u>					
Type (PVC, VCP, etc.)	<u>PVC</u>					
Average length	<u>60'</u>					
Number of active service connections	<u>121</u>					
Beginning of year	<u>119</u>					
Added during year	<u>2</u>					
Retired during year	<u>0</u>					
End of year	<u>121</u>					
Give full particulars concerning inactive connections	<u>Inactive connections are buildable lots.</u>					

COLLECTING AND FORCE MAINS

	Collecting Mains			Force Mains		
Size (inches)	<u>6"</u>	<u>4"</u>		<u>6"</u>	<u>4"</u>	
Type of main	<u>PVC</u>	<u>PVC</u>		<u>PVC</u>	<u>PVC</u>	
Length of main (nearest foot)	<u>Don't know</u>	<u>Don't know</u>				
Beginning of year	<u>0</u>	<u>0</u>				
Added during year	<u>0</u>	<u>0</u>				
Retired during year	<u>0</u>	<u>0</u>				
End of year	<u>Don't know</u>	<u>Don't know</u>				

MANHOLES

Size (inches)		<u>60" x 5'</u>	
Type of Manhole		<u>concrete</u>	
Number of Manholes:			
Beginning of year		<u>2</u>	
Added during year		<u>0</u>	
Retired during year		<u>0</u>	
End of Year		<u>2</u>	

UTILITY NAME: USEPPA UTILITY, INC

SYSTEM NAME: _____

YEAR OF REPORT
DECEMBER 31, 2006

TREATMENT PLANT

Manufacturer _____	<u>DAVCO</u>	<u>Mc Neil</u>	_____
Type _____	<u>Extend Air</u>	<u>Extended Air</u>	_____
"Steel" or "Concrete" _____	<u>Concrete</u>	<u>concrete</u>	_____
Total Permitted Capacity _____	_____	<u>45,000 GPD</u>	_____
Average Daily Flow _____	_____	_____	_____
Method of Effluent Disposal _____	<u>Perc Pond</u>	<u>Perc pond</u>	_____
Permitted Capacity of Disposal _____	_____	<u>20,000 GPD</u>	_____
Total Gallons of Wastewater treated _____	<u>The 2 plants combined into 1 plant</u>	<u>4,940,800 gallons</u>	_____

MASTER LIFT STATION PUMPS

Manufacturer _____	<u>Goulds</u>	_____	_____	_____	_____
Capacity (GPM's) _____	<u>60 GPM</u>	_____	_____	_____	_____
Motor: _____	_____	_____	_____	_____	_____
Manufacturer _____	<u>Goulds</u>	_____	_____	_____	_____
Horsepower _____	<u>1/2</u>	_____	_____	_____	_____
Power (Electric or Mechanical) _____	<u>electric</u>	_____	_____	_____	_____

PUMPING WASTEWATER STATISTICS

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	<u>.4070</u>	<u>0</u>	<u>.4070</u>
February _____	<u>.3771</u>	<u>0</u>	<u>.3771</u>
March _____	<u>.5647</u>	<u>0</u>	<u>.5647</u>
April _____	<u>.4525</u>	<u>0</u>	<u>.4525</u>
May _____	<u>.4099</u>	<u>0</u>	<u>.4099</u>
June _____	<u>.3842</u>	<u>0</u>	<u>.3842</u>
July _____	<u>.5049</u>	<u>0</u>	<u>.5049</u>
August _____	<u>.4283</u>	<u>0</u>	<u>.4283</u>
September _____	<u>.3340</u>	<u>0</u>	<u>.3340</u>
October _____	<u>.2981</u>	<u>0</u>	<u>.2981</u>
November _____	<u>.3495</u>	<u>0</u>	<u>.3495</u>
December _____	<u>.4306</u>	<u>0</u>	<u>.4306</u>
Total for year _____	<u>4,940.8</u>	<u>0</u>	<u>4,940.8</u>

If Wastewater Treatment is purchased, indicate the vendor: N/A

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2006

SYSTEM NAME: _____

GENERAL WASTEWATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

- 1. Present number of ERCs* now being served. 2006 Flow 4,940,800/1000/365/280 = .0483
- 2. Maximum number of ERCs* which can be served. 20,000 GPD Permitted/1000/280 = .0714
- 3. Present system connection capacity (in ERCs*) using existing lines. Plant Design 45,000 GPD/280/1000 = .161
- 4. Future connection capacity (in ERCs*) upon service area buildout. Built out
- 5. Estimated annual increase in ERCs*. None
- 6. Describe any plans and estimated completion dates for any enlargements or improvements of this system
① Lift Station Renovations, (New Panels, Electrical, Pump, Floats, Etc)
26 Total Lift Stations
Approx \$85,000
- 7. If the utility uses reuse as a means of effluent disposal, provide a list of the reuse end users and the amount of reuse provided to each, if known. N/A
- 8. If the utility does not engage in reuse, has a reuse feasibility study been completed? N/A
If so, when? N/A
- 9. Has the utility been required by the DEP or water management district to implement reuse? NO
If so, what are the utility's plans to comply with this requirement? N/A
- 10. When did the company last file a capacity analysis report with the DEP? 2004
- 11. If the present system does not meet the requirements of DEP rules, submit the following:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules. N/A
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading. _____
 - e. Is this system under any Consent Order with DEP? _____
- 12. Department of Environmental Protection ID # FIA 0144941

* An ERC is determined based on one of the following methods:
(a) If actual flow data are available from the preceding 12 months:
Divide the total annual single family residence (SFR) gallons sold by the average number of SFR customers for the same period and divide the result by 365 days.
(b) If no historical flow data are available use:
ERC = (Total SFR gallons sold (omit 000)/365 days/280 gallons per day).

UTILITY NAME: USEPPA UTILITY, INC.

YEAR OF REPORT
DECEMBER 31, 2006

CERTIFICATION OF ANNUAL REPORT

I HEREBY CERTIFY, to the best of my knowledge and belief:

- YES NO 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission in Rule 25-30.115 (1), Florida Administrative Code.
- YES NO 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.
- YES NO 3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.
- YES NO 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct, and complete for the period for which it represents.

Items Certified

- 1.
- 2.
- 3.
- 4.

Smoly Summers, CEO *
(signature of Chief Executive Officer of the utility)

Date: APRIL 20, 2007

- 1.
- 2.
- 3.
- 4.

_____*
(signature of Chief Financial Officer of the utility)

Date: _____

* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.